



MINUTES BOARD OF LIVESTOCK MEETING

July 27, 2010

Board Conference Room 319
301 N Roberts, Helena, MT 59601

BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer
John Lehfeltdt, sheep producer
Linda Nielsen, Vice-chair, cattle producer

Jeffery Lewis, dairy producer
Stan Boone, cattle producer
Brett DeBruycker, cattle producer

ABSENT

Ed Waldner, swine producer

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau
Dr Jeanne Rankin, Animal Health
Dr Tahnee Szymanski, Animal Health
Dr Layton, Veterinary Diagnostic Lab

Steve Merritt, Public Information Officer
Dr Marty Zaluski, Animal Health
John Grainger, Brands Enforcement

PUBLIC PRESENT:

Pat Murdo, Legislative Audit Division
Hope Stockwell, Legislative Audit Division
Tom Linfield, AVIC, USDA APHIS VS

Kraig Glazier, USDA APHIS Wildlife Services
Errol Rice, Montana Stockgrowers Assn
Les Graham, MLMA/Farm Bureau

9:10 AM

CALL TO ORDER

ADMINISTRATIVE ITEMS

Board Communications:

- Jan French, Hobson
 - feel really good about this year
 - getting 4 tons per acre in our pastures
 - hills are all still green
 - sold calves on Superior for over what the banker expected, sheep prices were up
- Jeff Lewis, Corvallis
 - Bitterroot Valley is extremely dry, big fire started last week
 - dairy business is good
- Stan Boone, Ingomar
 - country looks as good as it ever has, still green as May
 - lots of water, lots of mosquito
- John Lehfeltdt, Lavina
 - great spring
 - grasshoppers are showing up and will be an issue
- Linda Nielsen, Nashua
 - lot of rain, good grass
 - cattle prices are good at 60 to 70 cents for cow/calves, in the 80 cent area for bulls
 - weather is terrible, tornados
- Brett DeBruycker, Dutton
 - cattle market is good, especially for cow/calf right now
 - hay and grass looks good

Approval of Minutes:

John Lehfeltdt moved to accept the May 2010 minutes as presented. Jeff Lewis seconded. The motion carried unanimously.

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Interim Authorizations and Activities:

- Chair Jan French approved three out-of-state travels 1) Dr Zaluski and Dr Liska to attend an APHIS meeting in Idaho Falls; 2) Mike Finnegan for a USDA grading certification class.

Jeff Lewis moved to approve the chair's interim authorizations. Brett DeBruycker seconded. The motion carried unanimously.

Executive Officer Reports:

Linda Nielsen moved to approve the executive officer report as presented. Jeff Lewis seconded. The motion carried unanimously.

DIVISION REPORTS

Animal Health, Dr Zaluski

- **Action Item 7.10.1** Statewide OCV requirements
 - at the March meeting Animal Health was directed to develop an alternate OCV proposal that focuses on adult breeding cattle
 - current proposal seeks to improve the immunity of Montana's cattle (and domestic bison) breeding herd
 - 90% of comments received agreed that breeding cattle should be vaccinated

PUBLIC COMMENTS

- Dick Rath, chairman MSGA health committee
 - requests board delay action on this issue as he feels producers are not aware of the proposed changes
 - a vaccinated animal is not always protected -maybe should look at adult vaccination on breeders as they are marketed
- Les Graham, MFBF, MLAM
 - concerned about grazing animals, to have this effective grazing animals must be addressed
 - sustainable funding - will statewide enforcement dilute the enforcement in DSA and how much will fall on the markets
 - markets offered to assist in training and education regarding this issue
- Dr Zaluski
 - verification of vaccination is an issue - animals that do not have shield or tattoo will be an issue
 - enforcement - brand inspectors will be looking at the markets-calves will not be inspected
 - sustainable funding - this requirement should not cause significant drain on DOL funding
 - females sold to slaughter would not need to be checked-only breeding females
- Brett DeBruycker
 - questioned how this proposal differs from the prior proposed draft
 - what will happen is that cattle vaccinated now and sold down the road several years will not have shield or visible tattoo
 - need to get the vets and the markets involved to promote better practices
- Linda Nielsen agreed that this is an issue
- Jan French also agreed, but it is not a new situation
 - If your neighbor's stock is not vaccinated it is an issue for you
 - the point is the board is proposing to keep the breeding stock in Montana healthier

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- Dr Zaluski
 - the goal is to improve Montana's herd vaccination status
 - if board proposes to go forward with filing a proposed rule they can take comments prior to filing the final rule and then decide on the timeline
- John Lehfeldt
 - if we do pass it, won't we be pushing for better identification processes
 - if we do not, aren't we allowing the status quo to continue

Linda Nielsen moved to to solicit more public comment in the issue until the January meeting. John Lehfeldt seconded. Motion carried unanimously.

10:30 a.m. Recess

10:34 a.m. Reconvene

- Traceability meeting
 - Animal Health is hosting a meeting on livestock traceability August 2 in the Department of Health and Human Services Auditorium
 - Dr Zaluski and Dr Szymanski will inform producers of the direction USDA is heading and solicit comments
 - the USDA plan calls for mandatory id for moving livestock across state lines
 - with each state responsible for implementing USDA rules
- DSA Official Order into Rule
 - update on DSA-area feed back
 - some legislators and producers suggested this should be incorporated into our administrative rules
 - Dr Liska is drafting the proposed rule and will incorporate comments from the annual DSA review scheduled for December
- **Action Item 7.10.2** Request for an import of non-OCV cow
 - letter of request from Dr Doug Reedy of Twin Bridges
 - needs a Board decision to allow an exception
 - Montana cow returning to Montana from Wyoming but cannot be identified as vaccinated (tag does not match-no legible tattoo)
 - board can allow Dr Zaluski to provide a one time exception (as coming from a commercial herd where herd mates were vaccinated) 32.3.212 (d)
 - Dr Linfield, USDA APHIS VS Area Veterinary In Charge suggested using a drop light to find some evidence of the tattoo
 - confirmation by a qualified vet would be acceptable, but what if that is not fruitful?
 - this is more of a policy issue rather than a health risk issue

Brett DeBruycker moved that if the animal tests negative a second time the exception may be made at Dr Zaluski's discretion. Linda Nielsen seconded. The motion carried unanimously.

- Two out-of-state travel requests
 - 1) National Animal Traceability meeting the end of August in Denver
 - Dr Zaluski and Dr Szymanski to attend
 - all expenses paid by USDA

Stan Boone moved to authorize the out-of-state travel as presented. John Lehfeldt seconded. The motion carried unanimously.

- 2) USDA Veterinary Services management team meeting

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- Dr Zaluski to attend as a representative of Western States Animal Health Assn of which he is president
- a chance to meet with other state vets to shape or address problems
- paid for by USDA

John Lehfeldt moved to authorize travel as requested. Linda Nielsen seconded. The motion carried unanimously.

- **Meat Inspection**, Christian Mackay (reporting for Carol Olmstead)
 - two inspector positions open
 - not a year for federal inspections so pretty quiet right now
 - have two new plants requesting inspectors
 - a state inspected processing plant in Dillon planned to start slaughtering - Dillon city council voted 6-1 against allowing the proposed conversion
- **Milk and Egg**, Dan Turcotte
 - there have been some delays on the egg grading building- still waiting on permits
 - interesting weather related incidents
 - a cage free flock was wiped out by a hail storm - 1300 suffocated
 - Springdale Colony lost a bunch of hens when they lost power in the night (heat) -buying pullets to get back into production as quickly as possible
 - Coremark update
 - requested pricing from Meadow Gold
 - Meadow Gold declined citing they were not a principle in the original action
 - judge is deciding whether or not to make them comply
 - Meadow Gold threatens to pull out of the process rather than comply
 - or compel Coremark and County Classic to disclose their pricing information
- **Public Information Office**, Steve Merritt
 - 125 celebration planning progress
 - will be at the Montana Historical Society building following the September board meeting
 - displays, food, and tours will be available
 - working on invitations
 - looking into getting a couple of sponsors
- **USDA Wildlife Services** (predator control), Kraig Glazier
 - John Steuber is recovering following July second surgery - prognosis looks good
 - Tim Graff, WS Helena area pilot, is taking a job in the guard flying C12s -very prestigious job
 - Stan Colton, Denton will be flying the Helena machine
 - while Stan is gone in April (6 months) a pilot from Texas will cover for him as a short term fix
 - USDA ferret reintroduction project
 - recognized the coyote is the number one predator of ferret kits
 - did some coyote collaring
 - are attempting to put a core area (700 acre) electric fence
 - WS looking at reaction of coyotes to these attempts

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- wolf update
 - decision is pending after Judge Molloy heard oral arguments again (since May, June)
 - FWP set the fall hunting quota at 186
 - depredation has dropped off in July (calving about done)
 - from May to today 78% of the flights in Western Montana were for wolves
- bears are expanding
 - WS just shot a repeat offender (grizzly) west of Conrad
 - another captured at Fort Benton by FWP
 - one killed west of near Butte last month
 - Kraig sighted a huge grizzly just north of Helena this week
- regarding the petition proposing to stop all trapping on public land
 - reduction of tools will affect WS predator control programs
 - especially the wolf program

PUBLIC COMMENT

- Pat Murdo, Economic Committee
 - regarding study of projected cost savings through merge of DOL and Department of Agriculture
 - prior studies have shown there is not a noticeable cost saving
 - has not been dropped, could go all the way through the legislature
 - Legislative Finance Committee will be looking at it and then Appropriations Committee
 - Linda Nielsen suggested those proposing a merge read the 1993 study if they have not done so, the study would pertain to today as much as back then

PRODUCER ORGANIZATION UPDATES

12 p.m. Adjourned for lunch

1:15 pm Reconvened

Veterinary Diagnostic Laboratory, Dr Layton

- **Action Item 7.10.3** Out-of state travel requests
 - 1) FAD laptop Exercise, Colorado State University, August 9
 - in case of a surge caused by an outbreak of disease such as foot and mouth
 - car rental, hotel & per diem expenses of \$300
 - anyone interested can attend

Brett DeBruycker moved to authorize the out-of-state travel as presented. Linda Nielsen seconded. The motion carried unanimously.
 - 2) NAHLN meeting in Ames, IA second week of August
 - lab's two nominees were accepted
 - will bring in Melody Kelley as temporary replacement because both nominees are from the milk lab

Stan Boone moved to authorize two nominees to attend the NAHLN meeting as presented. Jeff Lewis seconded. The motion carried unanimously.
 - 3) AAVLD annual meeting in Minneapolis
 - Dr Layton is already authorized to attend as part of his annual budget
 - requests authorization for one more to attend (Jeff Marshall or Jeff Shull)

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- the second person will attend Trich pertinent meetings that conflict with Layton's meeting schedule
- additional costs will include airfare and per diem for the second person
- Brett DeBruycker moved to authorize a second person to attend the AAVLD meeting as requested. Jeff Lewis seconded. The motion carried unanimously.**
- NAHLN June 2010 meeting update
 - funding is going to become more of an issue in the future
 - looking for ways to reevaluate lab system
 - review of membership will include decisions on who can do what testing
 - next meeting will probably be next spring
- Economic Committee, Hope Stockwell review of lab physical needs
 - moved and approved for two labs to merge and work together (FWP & DOL)
 - seed and analytical lab will be kept separate
 - encouraged to start working with MSU to see where everyone could cooperate identified commitments
 - MSU is interest in FWP's Bozeman lab
 - August 5 will conference call or meet with more members to identify space requirements for DOL & FWP
 - MSU President Cruzado indicated they are on board following the last board meeting
 - issue is on the August 4th Legislative Review agenda
 - Christian encouraged a board member to attend the November USAHA meeting in Minneapolis
 - is there anything else the board wants the Economic Committee to do
 - board would like to see a letter to AAVLD recognizing the need for accreditation and a new diagnostic lab
- Marsh Lab
 - presented a map which outlined current lab space
 - Dean Jacobson offered two offices (100 sq feet) for lab storage instead of an outside container
 - compromise resulted in more space than originally requested
 - only problem is only the proposed space has only one entrance-would need install a crash door
 - needs board approval to accept the additional space which becomes available next week
 - with board approval he will draw up the MOU
- John Lehfeldt moved to accept the offer of additional space if it is within the lab's budget constraints and the crash door should be included in the MOU. Linda Nielsen seconded. The motion carried unanimously.**
- Personnel updates
 - new receptionist hired
 - filled the medical technologist spot - moving from Billings
 - regarding pathologist applicants
 - two to review for interviews
 - may need to discuss salary ranges with the board prior to interviews
- Power outage while Layton on vacation
 - damage to equipment of approximately \$6000 (claim currently with Risk Management)

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- hail storm
 - caused extensive damage to vehicles parked outside the building
 - roof damage is extensive (new roof must go through architectural design)
 - other damage to the lab was minimal
- **Brands Enforcement Updates, John Grainger**
 - auditor position offered to the best of three interviewed candidates
 - has indicated he will accept the position
 - need to draw up the employment offer letter
 - Choteau County meeting went really well
 - do not know if they came to any agreement
 - close to 50 people attended the meeting - impressive
 - local inspector (workers comp) issue may be solved for a year or two
 - Department of Administration says fees cannot be considered salary
 - under this interpretation deputy inspectors are volunteers and are covered by board
 - Christian drafted a memo which will go out to inspectors once approved by the board
 - eventually deputy inspector lists will be available by district & county on the DOL website (better customer service)
 - several investigations ongoing that will be leading out of state
 - John questioned if board out-of-state travel authorization is required if regular investigative travels lead district investigators into Idaho, Wyoming, etc. (where overnight lodging, per diem might occur).

Stan Boone moved that accepted policy will be for the district investigator to obtain approval from John (Brands Administrator) prior to out-of-state travel.

Jeff Lewis seconded. The motion carried unanimously.

- interviews for brand recorder start tomorrow
- still working with Axiom to have the new rerecord process in place, but old re-record process is ready as backup
- **Centralized Services, George Harris**
 - reviewed fiscal year end 2010
 - will begin developing FY 2012-2013 budgets
 - brought in 3.93 million in special revenues
 - made it through 2010 but better tighten belts for 2011
 - Livestock reimbursement contracts are up this year
 - new reimbursement agreements need to be signed
 - each livestock market provides a Brand Inspector office by state statute)
 - the department reimburses each market for utilities and expenses at the current rate of \$900

John Lehfeltdt moved to authorize new agreements for market reimbursement at \$900 per market. Jeff Lewis seconded. The motion carried unanimously.

- Beef Council Fee
 - collection agreement renewal due in September
 - board requested an updated cost expense sheet showing BC reimbursement to the department vs. actual collection costs
 - to be provided to board members for study prior to the September meeting

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- Livestock Loss Reduction Mitigation Board, George Edwards
 - provided year to date loss payments and last year's total
 - comparison January to July 2009 to 2010 shows a 27% increase in animal values lost to predation
 - USDA divided the Tester bill funding with \$140,000 allotted to Montana
 - waiting for the arrival of funds to continue payouts as all state funding and donations have been expended
 - Montana Cattlemen's Association donated \$250 towards developing a logo and for use as a license plate logo (fund raiser)
- Milk Control Bureau, Monte Nick
 - update on Country Classic and Meadow Gold productions and sales
 - ❖ Country Classic has stopped importing milk from out of state
 - ❖ Country Classic may go with Darigold (vote on July 29)
 - ❖ Montana would then have two suppliers - Meadow Gold and Darigold
 - Kalispell Creamery has requested to become a pool plant
 - ❖ question is who has the authority to allow it and who makes the decision as to who
 - ❖ if it were allowed it would give them a growth cushion
 - ❖ may allow an unfair advantage to the new pool plant
 - ❖ currently every Montana producer belongs to (sells to) either Meadow Gold or Country Classic pools
- Information Technology
 - the Brands RFP with Axiom has been signed
 - ❖ working on the rerecord program
 - ❖ mainframe information transfer has been difficult
 - ❖ looking at independent contractors for that process
 - the new Animal Health system has been chosen and are collaborating on their issues
 - LIMS work continues at the Lab
- Per Capita fee is due to be set at the September board meeting.

Public Comment

Next Board Meetings

- September September 30 and October 1, 2010 (Thursday 12-5pm/Friday 8-11am)
lunch to follow adjournment then meet with FWP (1 - 3pm)
 - ❖ 125 Department Anniversary Celebration reception on Friday
October 1 following the meeting with FWP
- November November 15 and 16, 2010 (third Monday and Tuesday of the month)

ADJOURNMENT 3:40 p.m.

JAN FRENCH, CHAIRMAN